

AMENDED IN ASSEMBLY MARCH 28, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1747

Introduced by Assembly Member Weber

February 2, 2016

An act to add Section 66025.93 to the Education Code, and to amend Sections ~~10072, 18904.3, 18904.3~~ and 18995 of the Welfare and Institutions Code, relating to food assistance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1747, as amended, Weber. Food assistance: higher education students.

(1) Existing federal law provides for the Supplemental Nutrition Assistance Program (SNAP), known in California as CalFresh, under which supplemental nutrition assistance benefits allocated to the state by the federal government are distributed to eligible individuals by each county. Existing state law authorizes a county to deliver CalFresh benefits through the use of an electronic benefits transfer (EBT) system. Existing federal law authorizes counties to participate in the Restaurant Meals Program.

Existing law establishes the Cal Grant Program under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under the program for participating students attending qualifying institutions. Existing law requires each Cal Grant participating institution, as a condition for its voluntary participation in the Cal Grant Program, to annually report to the commission specified information for its undergraduate programs.

This bill would require, as a condition of participation in the Cal Grant Program, each public and private postsecondary educational institution

to ensure that surcharge-free transactions are accessible on each campus through the EBT system. *The bill would prohibit these educational institutions from entering into contracts with a bank or financial institution that imposes a fee or surcharge on a person using an EBT card.* The bill would also require ~~these educational institutions~~ that are located in a county that participates in the Restaurant Meals Program to apply to become an approved food vendor for the program, if the institution operates any qualifying food facilities on campus, or to provide contracting food vendors with specified information about the program.

~~(2) Under existing law, a recipient of public assistance benefits may be charged a fee for cash withdrawal transactions using the EBT system, but excludes CalFresh transactions from this fee.~~

~~This bill would additionally exclude from the fee a transaction processed through a point of sale device or an automated teller machine located on the campus of a public or private postsecondary educational institution.~~

~~(3)~~

(2) Existing law requires the State Department of Social Services, if private nonprofit organizations are successful in raising money for CalFresh outreach activities and have secured a local governmental agency to serve as the contracting agency, upon request and subject to approval by the United States Department of Agriculture, to act as their state entity for the receipt of matching funds.

This bill would include public postsecondary educational institutions among the entities that may receive matching funds for conducting CalFresh outreach activities, as specified.

~~(4)~~

(3) Existing law requires the State Department of Social Services to establish and administer the State Emergency Food Assistance Program, to provide food and funding for the provision of emergency food to food banks, as provided. Existing law creates the State Emergency Food Assistance Program Account within the Emergency Food Assistance Program Fund and requires that moneys in the account, upon appropriation by the Legislature, be used by the program for the purchase, storage, and transportation of food grown or produced in California and for the department's administrative costs.

This bill would establish the Public Higher Education Pantry Assistance Account in the Emergency Food Assistance Program Fund, and would require that moneys in the account, upon appropriation by

the Legislature, be allocated to the department for allocation to food banks that support on-campus pantry and hunger relief efforts serving low-income students, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature to increase the
2 college graduation rates of low-income Californians and to reduce
3 the incidence of economic hardship and hunger among low-income
4 college students.

5 SEC. 2. Section 66025.93 is added to the Education Code,
6 immediately following Section 66025.92, to read:

7 66025.93. (a) As a condition of its participation in the Cal
8 Grant Program, ~~each~~ *all of the following shall apply to public and*
9 ~~private postsecondary education institution shall do all of the~~
10 ~~following institutions:~~

11 (1) ~~Ensure~~ *The institution shall ensure* that surcharge-free
12 transactions are accessible on each campus using the electronic
13 benefits transfer (EBT) system established pursuant to Chapter 3
14 (commencing with Section 10065) of Part 1 of Division 9 of the
15 Welfare and Institutions Code.

16 (2) If the institution is located in a county that participates in
17 the Restaurant Meals Program established pursuant to Section
18 2020 of Title 7 of the United States Code, the institution shall do
19 all of the following:

20 (A) Apply to become an approved food vendor for the
21 Restaurant Meals Program, if the institution operates any qualifying
22 food ~~facilities~~ *facility* on campus.

23 (B) Annually provide all on-campus food vendors not operated
24 by the institution with information regarding the Restaurant Meals
25 Program and the manner in which to apply.

26 (C) If an on-campus food vendor has been approved to
27 participate in the Restaurant Meals Program, annually inform
28 students about the program using information provided by the
29 State Department of Social Services.

30 (3) *The institution shall not enter into a contract with a bank*
31 *or financial institution that imposes a fee or surcharge on a person*
32 *using an EBT card.*

(b) This section does not require an institution to create, operate, or maintain an EBT system on behalf of on-campus food vendors.

(c) To the extent any contract would be substantially impaired as a result of the application of this section, this section shall apply only to contracts renewed or entered into on or after January 1, 2017.

~~SEC. 3.—Section 10072 of the Welfare and Institutions Code is amended to read:~~

~~10072. The electronic benefits transfer system required by this chapter shall be designed to do, but not be limited to, all of the following:~~

~~(a) To the extent permitted by federal law and the rules of the program providing the benefits, recipients who are required to receive their benefits using an electronic benefits transfer system shall be permitted to gain access to the benefits in any part of the state where electronic benefits transfers are accepted. All electronic benefits transfer systems in this state shall be designed to allow recipients to gain access to their benefits by using every other electronic benefits transfer system.~~

~~(b) To the maximum extent feasible, electronic benefits transfer systems shall be designed to be compatible with the electronic benefits transfer systems in other states.~~

~~(c) All reasonable measures shall be taken in order to ensure that recipients have access to electronically issued benefits through systems such as automated teller machines, point-of-sale devices, or other devices that accept electronic benefits transfer transactions. Benefits provided under Chapter 2 (commencing with Section 11200) of Part 3 shall be staggered over a period of three calendar days, unless a county requests a waiver from the department and the waiver is approved, or in cases of hardship pursuant to subdivision (p).~~

~~(d) The system shall provide for reasonable access to benefits to recipients who demonstrate an inability to use an electronic benefits transfer card or other aspect of the system because of disability, language, lack of access, or other barrier. These alternative methods shall conform to the requirements of the Americans with Disabilities Act (42 U.S.C. Sec. 12101, et seq.); including reasonable accommodations for recipients who, because of physical or mental disabilities, are unable to operate or otherwise make effective use of the electronic benefits transfer system.~~

1 ~~(e) The system shall permit a recipient the option to choose a~~
2 ~~personal identification number, also known as a “PIN” number,~~
3 ~~to assist the recipient to remember his or her number in order to~~
4 ~~allow access to benefits. Whenever an institution, authorized~~
5 ~~representative, or other third party not part of the recipient~~
6 ~~household or assistance unit has been issued an electronic benefits~~
7 ~~transfer card, either in lieu of, or in addition to, the recipient, the~~
8 ~~third party shall have a separate card and personal identification~~
9 ~~number. At the option of the recipient, he or she may designate~~
10 ~~whether restrictions apply to the third party’s access to the~~
11 ~~recipient’s benefits. At the option of the recipient head of~~
12 ~~household or assistance unit, the county shall provide one electronic~~
13 ~~benefits transfer card to each adult member to enable them to~~
14 ~~access benefits.~~

15 ~~(f) The system shall have a 24-hour per day toll-free telephone~~
16 ~~hotline for the reporting of lost or stolen cards that will provide~~
17 ~~recipients, at no additional cost to the recipient, with information~~
18 ~~on how to have the card and personal identification number~~
19 ~~replaced, and that will allow an authorized representative or head~~
20 ~~of household to access, over the telephone, the transaction history~~
21 ~~detail for at least the last 10 transactions and to request that the~~
22 ~~transaction history detail for at least the past two months be sent~~
23 ~~by mail.~~

24 ~~(g) The system shall have an Internet Web site that will provide~~
25 ~~recipients, at no additional cost to the recipient, with information~~
26 ~~on how to have the card and personal identification number~~
27 ~~replaced, and that will allow an authorized representative or head~~
28 ~~of household to view the transaction history detail for at least the~~
29 ~~last 10 transactions and to request that the transaction history detail~~
30 ~~for at least the past two months be sent by mail.~~

31 ~~(h) In addition to the ability to receive transaction history detail~~
32 ~~pursuant to subdivisions (f) and (g), a county human services~~
33 ~~agency shall make available to an authorized representative or~~
34 ~~head of household, at no additional cost to the authorized~~
35 ~~representative or head of household, all electronic benefit~~
36 ~~transaction history details that are available to the county human~~
37 ~~services agency within 10 business days after a request has been~~
38 ~~received by the agency.~~

39 ~~(i) (1) A recipient shall not incur any loss of electronic benefits~~
40 ~~after reporting that his or her electronic benefits transfer card or~~

1 personal identification number has been lost or stolen. The system
2 shall provide for the prompt replacement of lost or stolen electronic
3 benefits transfer cards and personal identification numbers.
4 Electronic benefits for which the case was determined eligible and
5 that were not withdrawn by transactions using an authorized
6 personal identification number for the account shall also be
7 promptly replaced.

8 (2) ~~A recipient shall not incur any loss of cash benefits that are~~
9 ~~taken by an unauthorized withdrawal, removal, or use of benefits~~
10 ~~that does not occur by the use of a physical EBT card issued to the~~
11 ~~recipient or authorized third party to directly access the benefits.~~
12 ~~Benefits taken as described in this paragraph shall be promptly~~
13 ~~replaced in accordance with the protocol established by the~~
14 ~~department pursuant to paragraph (3).~~

15 (3) ~~The State Department of Social Services shall establish a~~
16 ~~protocol for recipients to report electronic theft of cash benefits~~
17 ~~that minimizes the burden on recipients, ensures prompt~~
18 ~~replacement of benefits in order to minimize the harm to recipients,~~
19 ~~and ensures program integrity. This protocol may include the~~
20 ~~automatic replacement of benefits without the need for recipient~~
21 ~~reporting and verification.~~

22 (j) ~~Electronic benefits transfer system consumers shall be~~
23 ~~informed on how to use electronic benefits transfer cards, how to~~
24 ~~protect their cards from misuse, and where consumers can use their~~
25 ~~cards to withdraw benefits without incurring a fee, charge, or~~
26 ~~surcharge.~~

27 (k) ~~The electronic benefits transfer system shall be designed to~~
28 ~~inform recipients when the electronic benefits transfer system does~~
29 ~~not function or is expected not to function for more than a one-hour~~
30 ~~period between 6 a.m. and midnight during any 24-hour period.~~
31 ~~This information shall be made available in the recipient's preferred~~
32 ~~language if the electronic benefits transfer system vendor contract~~
33 ~~provides for services in that language.~~

34 (l) ~~Procedures shall be developed for error resolution.~~

35 (m) ~~No fee shall be charged by the state, a county, or an~~
36 ~~electronic benefits processor certified by the state to retailers~~
37 ~~participating in the electronic benefits transfer system.~~

38 (n) ~~Except for CalFresh transactions and transactions processed~~
39 ~~through a point of sale device or an automated teller machine~~
40 ~~located on the campus of a public or private postsecondary~~

1 educational institution pursuant to Section 66025.93 of the
2 Education Code, a recipient may be charged a fee, not to exceed
3 the amount allowed by applicable state and federal law and
4 customarily charged to other customers, for cash withdrawal
5 transactions that exceed four per month.

6 (o) The electronic benefits transfer system shall be designed to
7 ensure that recipients of benefits under Chapter 2 (commencing
8 with Section 11200) of Part 3 have access to using or withdrawing
9 benefits with minimal fees or charges, including an opportunity
10 to access benefits with no fee or charges.

11 (p) A county shall exempt an individual from the three-day
12 staggering requirement under subdivision (c) on a case-by-case
13 basis for hardship. Hardship includes, but is not limited to, the
14 incurrence of late charges on an individual's housing payments.

15 (q) A county shall use information provided by the department
16 to inform recipients of benefits under Chapter 2 (commencing with
17 Section 11200) of Part 3 of all of the following:

18 (1) The methods of electronic delivery of benefits available,
19 including distribution of benefits through the electronic benefits
20 transfer system or direct deposit pursuant to Section 11006.2.

21 (2) Applicable fees and charges, including surcharges, consumer
22 and privacy protections, and liability for theft associated with the
23 electronic benefits transfer system.

24 (3) How to avoid fees and charges, including opting for delivery
25 of benefits by direct deposit and using the electronic benefits
26 transfer card solely at surcharge-free locations.

27 (4) Where to withdraw benefits without a surcharge when using
28 the electronic benefits transfer system.

29 (5) That a recipient may authorize any available method of
30 electronic delivery of benefits and instructions regarding how the
31 recipient may select or change his or her preferred method of
32 electronic delivery of benefits and that the recipient shall be given
33 the opportunity to select the method prior to the first payment.

34 (6) That a recipient may be entitled to an alternative method of
35 delivery if the recipient demonstrates an inability to use an
36 electronic benefits transfer card or other aspect of the system
37 because of disability, language, lack of access, or other barrier
38 pursuant to subdivision (d) and instructions regarding how to
39 determine whether the recipient qualifies for an alternative method
40 of delivery.

~~(7) That a recipient may be entitled to an exemption from the three-day staggering requirement under subdivision (c) on a case-by-case basis for hardship pursuant to subdivision (o) and instructions regarding how to determine whether the recipient qualifies for the exemption.~~

~~(r) A county is in compliance with subdivision (q) if it provides the recipient a copy of the information developed by the department. A county may provide a recipient information, in addition to the copy of the information developed by the department, pursuant to subdivision (q), either verbally or in writing, if the county determines the additional information will benefit the recipient's understanding of the information provided.~~

~~SEC. 4.~~

SEC. 3. Section 18904.3 of the Welfare and Institutions Code is amended to read:

18904.3. (a) If a private nonprofit organization or a public postsecondary educational institution is successful in raising money for CalFresh outreach activities and has secured a local governmental agency to serve as the contracting agency, the department shall, upon request and subject to approval by the United States Department of Agriculture, act as the organization's or institution's state entity for receipt of matching funds.

(b) Any reduction in federal funding to the state that is due to the result of any audit of CalFresh outreach contracts or activities shall be applied to the appropriate local government that served as the contracting agency for CalFresh outreach activities.

~~SEC. 5.~~

SEC. 4. Section 18995 of the Welfare and Institutions Code is amended to read:

18995. (a) On and after January 1, 2012, the State Department of Social Services shall establish and administer the State Emergency Food Assistance Program (SEFAP). The SEFAP shall provide food and funding for the provision of emergency food to food banks established pursuant to the federal Emergency Food Assistance Program (7 C.F.R. Parts 250 and 251) whose ongoing primary function is to facilitate the distribution of food to low-income households.

(b) (1) The State Emergency Food Assistance Program Account is hereby established in the Emergency Food Assistance Program Fund established pursuant to Section 18852 of the Revenue and

1 Taxation Code, and may receive federal funds and voluntary
2 donations or contributions.

3 (2) Notwithstanding Section 18853 of the Revenue and Taxation
4 Code, the following shall apply:

5 (A) All moneys received by the State Emergency Food
6 Assistance Program Account shall, upon appropriation by the
7 Legislature, be allocated to the State Department of Social Services
8 for allocation to the SEFAP and, with the exception of those
9 contributions made pursuant to Section 18851 of the Revenue and
10 Taxation Code and funds received through Parts 250 and 251 of
11 Title 7 of the Code of Federal Regulations, shall be used for the
12 purchase, storage, and transportation of food grown or produced
13 in California. Storage and transportation expenditures shall not
14 exceed 10 percent of the SEFAP fund's annual budget.

15 (B) Notwithstanding paragraph (1), funds received by the State
16 Emergency Food Assistance Program Account shall, upon
17 appropriation by the Legislature, be allocated to the State
18 Department of Social Services for allocation to the SEFAP as
19 described in paragraph (1), and shall, in part, be used to pay for
20 the department's administrative costs associated with the
21 administration of the SEFAP.

22 (c) (1) The Public Higher Education Pantry Assistance Program
23 Account is hereby established in the Emergency Food Assistance
24 Fund established pursuant to Section 18852 of the Revenue and
25 Taxation Code.

26 (2) Notwithstanding Section 18853 of the Revenue and Taxation
27 Code, funds in the Public Higher Education Pantry Assistance
28 Account shall, upon appropriation by the Legislature, be allocated
29 to the State Department of Social Services for allocation to food
30 banks established pursuant to Parts 250 and 251 of Title 7 of the
31 Code of Federal Regulations that meet both of the following
32 criteria:

33 (A) The primary function of the food bank is the distribution
34 of food to low-income households.

35 (B) The food bank has identified specific costs associated with
36 supporting on-campus pantry and hunger relief efforts serving
37 low-income students.

O